

RULES COMMITTEE PRINT OF H.R. 1315

JULY 14, 2011

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Consumer Financial
3 Protection Safety and Soundness Improvement Act of
4 2011”.

5 SEC. 2. COUNCIL VOTING PROCEDURE.

6 Section 1023(c)(3)(A) of the Dodd-Frank Wall Street
7 Reform and Consumer Protection Act is amended—

8 (1) by striking “ $\frac{2}{3}$ ” and inserting “a major-
9 ity”; and

10 (2) by inserting before the period the following:
11 “, excluding the Chair of the Commission of the Bu-
12 reau”.

13 SEC. 3. REVIEW AUTHORITY OF THE COUNCIL.

14 Section 1023 of the Dodd-Frank Wall Street Reform
15 and Consumer Protection Act is amended—

16 (1) in subsection (a)—

17 (A) by striking “may” and inserting
18 “shall”; and

19 (B) by striking “regulation or provision
20 would put the safety and soundness of the
21 United States banking system or the stability of
22 the financial system of the United States at

1 risk” and inserting “regulation which is the
2 subject of the petition is inconsistent with the
3 safe and sound operations of United States fi-
4 nancial institutions”; and
5 (2) in subsection (c)—

6 (A) in paragraph (3)(B)(ii), by striking
7 “would put the safety and soundness of the
8 United States banking system or the stability of
9 the financial system of the United States at
10 risk” and inserting “is inconsistent with the
11 safe and sound operations of United States fi-
12 nancial institutions”;

13 (B) in paragraph (4)—

14 (i) by striking subparagraph (B); and

15 (ii) by redesignating subparagraph

16 (C) as subparagraph (B);

17 (C) by striking paragraph (5);

18 (D) by redesignating paragraphs (6), (7),
19 and (8) as paragraphs (5), (6), and (7), respec-
20 tively; and

21 (E) by adding at the end the following new
22 paragraph:

23 “(8) PUBLIC MEETINGS.—Any time the Council
24 meets pursuant to this section to decide whether to
25 issue a stay of, or set aside, any regulation, every

1 portion of such meeting shall be open to public ob-
2 servation.”.

3 **SEC. 4. ESTABLISHMENT OF THE COMMISSION.**

4 Section 1011 of the Consumer Financial Protection
5 Act of 2010 is amended—

6 (1) by striking subsections (b), (c), and (d);

7 (2) by redesignating subsection (e) as sub-
8 section (j); and

9 (3) by inserting after subsection (a) the fol-
10 lowing new subsections:

11 “(b) ESTABLISHMENT OF THE COMMISSION.—

12 “(1) IN GENERAL.—There is hereby established
13 a commission (hereinafter referred to in this section
14 as the ‘Commission’) that shall serve as the head of
15 the Bureau.

16 “(2) AUTHORITY TO PRESCRIBE REGULA-
17 TIONS.—The Commission may prescribe such regu-
18 lations and issue such orders in accordance with this
19 title as the Commission may determine to be nec-
20 essary for carrying out this title and all other laws
21 within the Commission’s jurisdiction and shall exer-
22 cise any authorities granted under this title and all
23 other laws within the Commission’s jurisdiction.

24 “(c) COMPOSITION OF THE COMMISSION.—

1 “(1) IN GENERAL.—The Commission shall be
2 composed of the Vice Chairman for Supervision of
3 the Federal Reserve System and 4 additional mem-
4 bers who shall be appointed by the President, by and
5 with the advice and consent of the Senate, from
6 among individuals who—

7 “(A) are citizens of the United States;

8 “(B) have strong competencies and experi-
9 ences related to consumer financial protection;
10 and

11 “(C) should want to protect service mem-
12 bers and their families who are sacrificing their
13 lives for this country from abusive financial
14 practices.

15 “(2) STAGGERING.—The members of the Com-
16 mission appointed under paragraph (1) shall serve
17 staggered terms, which initially shall be established
18 by the President for terms of 1, 2, 4, and 5 years,
19 respectively.

20 “(3) TERMS.—

21 “(A) IN GENERAL.—Each member of the
22 Commission appointed under paragraph (1), in-
23 cluding the Chair, shall serve for a term of 5
24 years.

1 “(B) REMOVAL FOR CAUSE.—The Presi-
2 dent may remove any member of the Commis-
3 sion appointed under paragraph (1) only for in-
4 efficiency, neglect of duty, or malfeasance in of-
5 fice.

6 “(C) VACANCIES.—Any member of the
7 Commission appointed under paragraph (1) ap-
8 pointed to fill a vacancy occurring before the
9 expiration of the term to which that member’s
10 predecessor was appointed (including the Chair)
11 shall be appointed only for the remainder of the
12 term.

13 “(D) CONTINUATION OF SERVICE.—Each
14 member of the Commission appointed under
15 paragraph (1) may continue to serve after the
16 expiration of the term of office to which that
17 member was appointed until a successor has
18 been appointed by the President and confirmed
19 by the Senate, except that a member may not
20 continue to serve more than 1 year after the
21 date on which that member’s term would other-
22 wise expire.

23 “(E) OTHER EMPLOYMENT PROHIBITED.—
24 No member of the Commission appointed under

1 paragraph (1) shall engage in any other busi-
2 ness, vocation, or employment.

3 “(4) ROLES AND RESPONSIBILITIES OF COM-
4 MISSIONERS.—One member of the Commission shall
5 have as their primary responsibility the oversight of
6 the Bureau’s activities pertaining to protecting con-
7 sumers, with a focus on consumers who are older,
8 minorities, youth, or veterans, from unfair, decep-
9 tive, and abusive lending practices. The designated
10 commissioner shall be responsible for—

11 “(A) ensuring the Bureau conducts regular
12 outreach to consumers regarding industry lend-
13 ing activities;

14 “(B) researching and reporting to the full
15 Commission, on a regular basis, the impact of
16 new loan and credit products and services on
17 consumers; and

18 “(C) ensuring the Bureau coordinates with
19 State-level consumer protection agencies on en-
20 forcement measures that protect consumers
21 from unfair, deceptive, and abusive lending
22 practices.

23 “(d) AFFILIATION.—With respect to members ap-
24 pointed pursuant to subsection (c)(1), not more than 2
25 shall be members of any one political party.

1 “(e) CHAIR OF THE COMMISSION.—

2 “(1) APPOINTMENT.—The Chair of the Com-
3 mission shall be appointed by the President from
4 among the members of the Commission appointed
5 under paragraph (1).

6 “(2) AUTHORITY.—The Chair shall be the prin-
7 cipal executive officer of the Bureau, and shall exer-
8 cise all of the executive and administrative functions
9 of the Bureau, including with respect to—

10 “(A) the appointment and supervision of
11 personnel employed under the Bureau (other
12 than personnel employed regularly and full time
13 in the immediate offices of members of the
14 Commission other than the Chair);

15 “(B) the distribution of business among
16 personnel appointed and supervised by the
17 Chair and among administrative units of the
18 Bureau; and

19 “(C) the use and expenditure of funds.

20 “(3) LIMITATION.—In carrying out any of the
21 Chair’s functions under the provisions of this sub-
22 section the Chair shall be governed by general poli-
23 cies of the Commission and by such regulatory deci-
24 sions, findings, and determinations as the Commis-
25 sion may by law be authorized to make.

1 “(4) REQUESTS OR ESTIMATES RELATED TO
2 APPROPRIATIONS.—Requests or estimates for reg-
3 ular, supplemental, or deficiency appropriations on
4 behalf of the Commission may not be submitted by
5 the Chair without the prior approval of the Commis-
6 sion.

7 “(f) NO IMPAIRMENT BY REASON OF VACANCIES.—
8 No vacancy in the members of the Commission shall im-
9 pair the right of the remaining members of the Commis-
10 sion to exercise all the powers of the Commission. Three
11 members of the Commission shall constitute a quorum for
12 the transaction of business, except that if there are only
13 3 members serving on the Commission because of vacan-
14 cies in the Commission, 2 members of the Commission
15 shall constitute a quorum for the transaction of business.
16 If there are only 2 members serving on the Commission
17 because of vacancies in the Commission, 2 members shall
18 constitute a quorum for the 6-month period beginning on
19 the date of the vacancy which caused the number of Com-
20 mission members to decline to 2.

21 “(g) SEAL.—The Commission shall have an official
22 seal.

23 “(h) COMPENSATION.—

24 “(1) CHAIR.—The Chair shall receive com-
25 pensation at the rate prescribed for level I of the

1 Executive Schedule under section 5313 of title 5,
2 United States Code.

3 “(2) OTHER MEMBERS OF THE COMMISSION.—
4 The 3 other members of the Commission appointed
5 under subsection (c)(1) shall each receive compensa-
6 tion at the rate prescribed for level II of the Execu-
7 tive Schedule under section 5314 of title 5, United
8 States Code.

9 “(i) INITIAL QUORUM ESTABLISHED.—During any
10 time period prior to the confirmation of at least two mem-
11 bers of the Commission, one member of the Commission
12 shall constitute a quorum for the transaction of business.
13 Following the confirmation of at least 2 additional com-
14 missioners, the quorum requirements of subsection (f)
15 shall apply.”.

16 **SEC. 5. CONFORMING AMENDMENTS.**

17 (a) CONSUMER FINANCIAL PROTECTION ACT OF
18 2010.—

19 (1) IN GENERAL.—The Consumer Financial
20 Protection Act of 2010 is amended—

21 (A) in section 1002, by striking paragraph
22 (10);

23 (B) in section 1012(c)(4), by striking “Di-
24 rector” each place such term appears and in-
25 serting “Commission of the Bureau”;

1 (C) in section 1013(c)(3)—

2 (i) by striking “Assistant Director of
3 the Bureau for” and inserting “Head of
4 the Office of”; and

5 (ii) in subparagraph (B), by striking
6 “Assistant Director” and inserting “Head
7 of the Office”;

8 (D) in section 1013(g)(2)—

9 (i) by striking “ASSISTANT DIREC-
10 TOR” and inserting “HEAD OF THE OF-
11 FICE”; and

12 (ii) by striking “an assistant director”
13 and inserting “a Head of the Office of Fi-
14 nancial Protection for Older Americans”;

15 (E) in section 1016(a), by striking “Direc-
16 tor of the Bureau” and inserting “Chair of the
17 Commission”;

18 (F) in section 1017(c)(1), by striking “Di-
19 rector and other employees” and inserting
20 “members of the Commission and other employ-
21 ees”;

22 (G) in section 1027(l)(1), by striking “Di-
23 rector and the”; and

1 (H) in section 1066(a), by striking “Direc-
2 tor of the Bureau is” and inserting “first mem-
3 ber of the Commission is”.

4 (2) GLOBAL AMENDMENTS.—The Consumer Fi-
5 nancial Protection Act of 2010 is amended—

6 (A) by striking “Director of the” each
7 place such term appears, other than in—

8 (i) subparagraphs (A) and (E) of sec-
9 tion 1017(4);

10 (ii) section 1043;

11 (iii) section 1061(b)(3);

12 (iv) section 1062;

13 (v) section 1063(f);

14 (vi) subparagraphs (E) and (G) of
15 section 1064(i)(2); and

16 (vii) section 1065(a); and

17 (B) by striking “Director” each place such
18 term appears and inserting “Bureau”, other
19 than in—

20 (i) section 1063(f)(2); and

21 (ii) section 1065(a).

22 (b) DODD-FRANK WALL STREET REFORM AND CON-
23 SUMER PROTECTION ACT.—The Dodd-Frank Wall Street
24 Reform and Consumer Protection Act is amended—

1 (1) in section 111(b)(1)(D), by striking “Direc-
2 tor” and inserting “Chair of the Commission”; and

3 (2) in section 1447, by striking “Director of the
4 Bureau” each place such term appears and inserting
5 “Bureau”.

6 (c) ELECTRONIC FUND TRANSFER ACT.—Section
7 921(a)(4)(C) of the Electronic Fund Transfer Act, as
8 added by section 1075(a)(2) of the Consumer Financial
9 Protection Act of 2010, is amended by striking “Director
10 of the Bureau of Consumer Financial Protection” and in-
11 serting “Bureau of Consumer Financial Protection”.

12 (d) EXPEDITED FUNDS AVAILABILITY ACT.—The
13 Expedited Funds Availability Act, as amended by section
14 1086 of the Consumer Financial Protection Act of 2010,
15 is amended by striking “Director of the Bureau” each
16 place such term appears and inserting “Bureau”.

17 (e) FEDERAL DEPOSIT INSURANCE ACT.—Section 2
18 of the Federal Deposit Insurance Act, as amended by sec-
19 tion 336(a) of the Dodd-Frank Wall Street Reform and
20 Consumer Protection Act, is amended by striking “Direc-
21 tor of the Consumer Financial Protection Bureau” each
22 place such term appears and inserting “Chair of the Com-
23 mission of the Bureau of Consumer Financial Protection”.

24 (f) FEDERAL FINANCIAL INSTITUTIONS EXAMINA-
25 TION COUNCIL ACT OF 1978.—Section 1004(a)(4) of the

1 Federal Financial Institutions Examination Council Act of
2 1978 (12 U.S.C. 3303(a)(4)), as amended by section 1091
3 of the Consumer Financial Protection Act of 2010, is
4 amended by striking “Director of the Consumer Financial
5 Protection Bureau” and inserting “Chair of the Commis-
6 sion of the Bureau of Consumer Financial Protection”.

7 (g) FINANCIAL LITERACY AND EDUCATION IM-
8 PROVEMENT ACT.—Section 513 of the Financial Literacy
9 and Education Improvement Act, as amended by section
10 1013(d) of the Consumer Financial Protection Act of
11 2010, is amended by striking “Director” each place such
12 term appears and inserting “Chair of the Commission”.

13 (h) HOME MORTGAGE DISCLOSURE ACT OF 1975.—
14 Section 307 of the Home Mortgage Disclosure Act of
15 1975, as amended by section 1094(6) of the Consumer
16 Financial Protection Act of 2010, is amended by striking
17 “Director of the Bureau of Consumer Financial Protec-
18 tion” each place such term appears and inserting “Bureau
19 of Consumer Financial Protection”.

20 (i) INTERSTATE LAND SALES FULL DISCLOSURE
21 ACT.—The Interstate Land Sales Full Disclosure Act, as
22 amended by section 1098A of the Consumer Financial
23 Protection Act of 2010, is amended—

24 (1) by amending section 1402(1) to read as fol-
25 lows:

1 “(1) ‘Chair’ means the Chair of the Commission of
2 the Bureau of Consumer Financial Protection;”;

3 (2) in section 1416(a), by striking “Director of
4 the Bureau of Consumer Financial Protection” and
5 inserting “Chair”; and

6 (3) by striking “Director” each place such term
7 appears and inserting “Bureau”.

8 (j) REAL ESTATE SETTLEMENT PROCEDURES ACT
9 OF 1974.—Section 5 of the Real Estate Settlement Proce-
10 dures Act of 1974, as amended by section 1450 of the
11 Dodd-Frank Wall Street Reform and Consumer Protec-
12 tion Act, is amended—

13 (1) by striking “The Director of the Bureau of
14 Consumer Financial Protection (hereafter in this
15 section referred to as the ‘Director’)” and inserting
16 “The Bureau of Consumer Financial Protection”;
17 and

18 (2) by striking “Director” each place such term
19 appears and inserting “Bureau”.

20 (k) S.A.F.E. MORTGAGE LICENSING ACT OF 2008.—
21 The S.A.F.E. Mortgage Licensing Act of 2008, as amend-
22 ed by section 1100 of the Consumer Financial Protection
23 Act of 2010, is amended—

1 (1) by striking “Director” each place such term
2 appears in headings and text and inserting “Bu-
3 reau”; and

4 (2) in section 1503, by striking paragraph (10).

5 (l) TITLE 44, UNITED STATES CODE.—Section
6 3513(c) of title 44, United States Code, as amended by
7 section 1100D(b) of the Consumer Financial Protection
8 Act of 2010, is amended by striking “Director of the Bu-
9 reau” and inserting “Bureau”.

10 **SEC. 6. CHAIR OF THE COMMISSION REQUIRED BEFORE**
11 **TRANSFER.**

12 Section 1062 of the Dodd-Frank Wall Street Reform
13 and Consumer Protection Act is amended by adding at
14 the end the following new subsection:

15 “(d) CHAIR OF THE COMMISSION REQUIRED BEFORE
16 TRANSFER.—Notwithstanding the other provisions of this
17 section, the single calendar date for the transfer of func-
18 tions to the Bureau under section 1061 shall be the later
19 of—

20 “(1) the date that would have been designated,
21 but for the application of this subsection; and

22 “(2) the date on which the Chair of the Com-
23 mission of the Bureau is confirmed by the Senate.”.